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DE RUEHSP #0048/01 0221942 ZNY CCCCC ZZH P 221942Z JAN 08 FM AMEMBASSY PORT OF SPAIN TO RUEHC/SECSTATE WASHDC PRIORITY 8944 INFO RUCNCOM/EC CARICOM COLLECTIVE PRIORITY RUEHCV/AMEMBASSY CARACAS PRIORITY 3746 RUMIAAA/CDR USSOUTHCOM MIAMI FL PRIORITY RHEBAAA/DEPARTMENT OF ENERGY WASHINGTON DC PRIORITY

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STATE FOR WHA/CAR, WHA/EPSC AND INR/IAA

E.O. 12958: DECL: 01/22/2018

TAGS: <u>PREL EPET ECIN ENRG MARR VE TD</u>
SUBJECT: PM MANNING ON VENEZUELA; INFRASTRUCTURE CONFERENCE

REF: PORT OF SPAIN 47

Classified By: DCM, LEN KUSNITZ; REASONS 1.4 (b,d)

11. (C) SUMMARY: Prime Minister Patrick Manning agreed in principle to co-host a Caribbean Basin Energy Infrastructure Security Conference, but said it would not be feasible to hold the event until late April or May. It was his strong preference to invite Venezuela; to do otherwise would be "hard to explain." In discussing his southern neighbor, the PM made clear he did not share Chavez, views and that TT remains a supporter of the FTAA and not ALBA/PetroCaribe. Nonetheless,  $\bar{T}$ rinidad has to tread carefully when taking actions its larger neighbor might notice. Characterizing the Venezuela referendum as a major turning point, Manning urged dialogue between Washington and Caracas. The political situation in Venezuela will eventually change, he continued, and the U.S. would be in a better position to influence a post-Chavez regime if it made a concerted dialogue effort now (including, by implication, not seeking to keep Caracas out of international and regional conferences like the one we are asking TT to co-host). END SUMMARY

## INFRASTRUCTURE CONFERENCE

- 12. (SBU) The Energy Department's Sam Browne and SouthCom's Joanna Gutierrez, accompanied by the DCM and EconOff, met January 18 with Prime Minister Patrick Manning to discuss a proposed Caribbean Basin Energy Infrastructure Security Workshop that TT would co-host with us in Port of Spain. The Ambassador did not attend the session due to his accompanying a visiting interagency team assessing TT's LNG infrastructure security to a meeting with the Foreign, National Security and Energy Ministers.
- 13. (SBU) After listening to a presentation on the proposed conference, Manning queried what level officials would be expected to attend. Indicating they wished to hear the Prime Minister's views as well, Gutierrez and Browne suggested the event would be geared toward energy experts below the Cabinet (or immediate sub-Cabinet) level, as well as relevant private sector representatives. Manning seemed to agree, but said he would give more thought to the matter. He then added that DOE/SouthCom,s proposed early March conference date was too soon) late April or (more likely) May was a more realistic target. This would allow for better planning and, not coincidently, avoid clashing with a still unannounced March visit of the Prince of Wales to TT.

## INVITING VENEZUELA

14. (SBU) PM Manning then turned his attention to conference invitees, asking specifically if Venezuela would be invited.

As a Caribbean Basin country and major supplier of energy to both the Caribbean and the U.S., the Prime Minister said it would be "hard to explain" if Caracas was not invited. When told Venezuela was not on the initial proposed list, the PM offered that this was a mistake and underscored his very strong preference (as conference co-host) to invite it. "Maybe they will come and maybe they won't, but we should invite them," he concluded.

- 15. (C) This comment led Manning into an open, good-natured, explanation of his country's relationship to its larger southern neighbor. Clearly wishing to make his guests understand that what Washington and Port of Spain can do vis-a-vis Caracas is different, if for no other reasons than size and geography, Manning said his country must keep in mind Venezuela's concerns when acting. This does not mean bending to Caracas, will, but it also does not mean needlessly antagonizing it.
- 16. (C) Illustrating his point, Manning noted Trinidad remains a strong supporter of the FTAA, open markets and non-hegemonic regional integration. For those reasons, and others, it has not joined PetroCaribe ("and will not"), telling Caribbean partners that as an extension of ALBA it made no sense for pro-FTAA Trinidad to become a PetroCaribe member. (Note: This is one reason Summit of the Americas trade discussions with Trinidad have to be approached carefully lest Manning's PetroCaribe stance is inadvertently undercut. The PM habitually refers to the SOA as the "FTAA Summit.")
- 17. (C) In addition, Trinidad will not jettison its commercial concerns to curry favor with Chavez. Recalling the still-born effort last year to reach a production sharing agreement on a large underwater cross-border gas field, Manning related he knew that when he sent the draft accord to Venezuela that country would not agree to it due to the suggested tax structure for exploration companies and statist views inside the Venezuelan government. Specifying further, Manning said he had the impression the strongest resistance to Trinidad,s proposed terms came from PDVSA and Venezuela,s Energy Minister, with Chavez deferring to the "experts."
- ¶8. (C) Part of TT's balancing act with Venezuela involves being open to dialogue, Manning continued. Hinting that since the failure of the gas accord last year, which played a role in stifling planned leader trips to each country, his direct discussions with Chavez have been limited, Manning said that "Summit-level" conversations between the two countries are not taking place.
- ¶9. (C) Despite this, it is a mistake to try to isolate Venezuela. Dialogue is key to both changing and containing Caracas, behavior, but even more important in preparing the ground for influencing future change. "I won't be here forever, Bush won't be here forever, and neither will Chavez." Frankly, he continued, Chavez, referendum was a critical moment. It was now possible to glimpse a Venezuela absent Chavez. Though it may take a while, politically and economically, the situation in Venezuela is "unsustainable."
- 10. (C) In this regard, the U.S. should learn from past mistakes, the PM reflected. In the mid-nineties, he understood Washington was considering softening policy toward Havana, beginning a more fulsome dialogue with Castro. This was short-circuited by the "Brothers to the Rescue" shootdown. Not moving forward on the dialogue plan was an historical mistake, Manning asserted. The U.S. would be in a much better position to influence ongoing/coming change in Cuba if it had begun a dialogue ten years ago. By not engaging Chavez and Venezuela at every opportunity, the U.S. similarly risked losing future influence on what will occur in Venezuela.

- 111. (C) COMMENT: Trinidad and Tobago's relationship with Venezuela is complex. Manning is a friend of the U.S. and no fan of Chavez, but also a firm believer that needlessly ticking off a country multiple times Trinidad's size that is only seven miles away and with which it shares at least two (so far non-producing) offshore gas fields needed to fulfill industrial development plans, is not prudent politics or economics. In addition, to the extent TT can gain Caracas, assistance in the anti-crime battle (guns and drugs from there transit TT), it would be helpful. On the darker side, though there is no indication this occurs, Manning may have the occasional thought that a little meddling by a displeased Venezuela could easily worsen the already abysmal local security situation.
- 112. (C) It is important to underscore, though, that Manning does not see Trinidad as in thrall to Venezuela (or the United States). When it is in Trinidad's interest, or can be at least rationally explained away, Manning does take stands against Venezuela (e.g., on PetroCaribe, welcoming ties with the U.S. military). On a similar track, he intends to make the Summit of the Americas a success by closely working with us. Where standing contrary to Caracas is less explicable (at least to him), he looks for ways to square the circle. Advocating dialogue is one of these ways and a recognition that any reduction in U.S.-Venezuela tensions is good for Trinidad. While Manning's comments on the U.S. more fulsomely engaging Venezuela downplay the reluctance/rhetoric on the other side, it is heartfelt (as well as a bit calculated). In triangulating relations with Caracas and the U.S., it also is worth noting that Manning is really playing four-dimensional chess since he also feels the need to take into account the views of his sometimes-more-sympathetic-to-Caracas Caricom colleagues.
- $\underline{\P}13$ . (U) Mr. Browne and Ms. Gutierrez did not have an opportunity to clear this cable.